

STATE OF MINNESOTA
OFFICE OF ADMINISTRATIVE HEARINGS

FOR THE PUBLIC UTILITIES COMMISSION

In the Matter of the Applications of Prairie
Rose Wind, LLC, for a Certificate of Need
and Large Wind Energy Conversion
System Site Permit for the 101 MW Prairie
Rose Wind Farm in Rock and Pipestone
Counties

**SUMMARY OF PUBLIC TESTIMONY
AND COMMENTS**

This matter was initiated with the Minnesota Public Utilities Commission (MPUC or the Commission) by Prairie Rose Wind, LLC (Prairie Rose or Applicant) on May 13, 2010. On that date, Prairie Rose filed both an Application for a Certificate of Need (CN) for a 101 megawatt (MW) wind conversion system (the Project) and a Site Permit Application for the Project to be installed in Rock and Pipestone Counties.¹ On June 22, 2010, the Commission accepted as complete Prairie Rose's application for Site Permit for the Project, authorized the Minnesota Office of Energy Security Energy Facilities Permitting staff to name a public advisor for the Project, approved a proposed draft site permit for the Project for distribution and public comment, and authorized Energy Facilities Permitting staff to initiate the public participation process found in Minnesota Rule 7836.0900.²

On July 19, 2010, the Commission referred the matter to the Office of Administrative Hearings (OAH) for conducting a public hearing under the alternate CN process for docket number CN-10-80.³ The Site Permit application was assigned docket number WS-10-425.

Administrative Law Judge (ALJ) Richard C. Luis conducted a public hearing regarding these matters in the evening of December 28, 2010, at Memorial Hall, Jasper, Minnesota. An opportunity was provided for members of the public to air their views regarding the need for and proposed siting of the wind project. The period for filing or mailing written public comments closed on January 27, 2011, and the record closed on February 1, 2011.

¹ Ex. A (Certificate of Need Application); Ex. B (Site Permit Application). The proposed project is a large energy facility as defined by Minn. Stat. § 216B.2421. This type of facility requires a certificate of need from the MPUC.

² Commission Order, dated June 22, 2010 (MPUC Docket No. IP-6838/WS-10-425).

³ Order Finding Application Substantially Complete, Initiating Informal Review, and Granting Variance, dated July 19, 2010 (MPUC Docket No. IP-6838/CN-10-80).

Alan R. Mitchell, Fredrikson & Byron, P.A., appeared on behalf of the Applicant, as did several employees of Prairie Rose. David Birkholz, State Permit Manager, and Jamie MacAlister, Public Advisor, appeared on behalf of the Minnesota Office of Energy Security - Energy Facilities Permitting Staff (OES-EFP). Bret Eknes, State Planning Director, appeared on behalf of the Staff of the Minnesota Public Utilities Commission (MPUC).

Description of the Project

1. Prairie Rose proposes to install up to 67 wind turbines/generators resulting in a nameplate capacity of 101 MW. Prairie Rose is a wholly-owned subsidiary of Geronimo Wind Energy, LLC (GWE) and will own, construct, and operate the wind farm.⁴ Prairie Rose⁵ estimates that the wind farm will generate an annual average of between 345,056 and 398,142 megawatt hours (MWh). Associated facilities will include gravel access roads, a step-up substation, a wind electrical collection system, an Operations and Maintenance (O&M) building, permanent meteorological towers, and a Sonic Detection and Ranging (SODAR) unit or a Light Detection and Ranging (LIDAR) unit.⁶

2. Prairie Rose proposes to locate the wind farm in Rock and Pipestone Counties in Minnesota. Its southern edge lies just west of Hardwick, Minnesota, several miles northwest of Luverne. The affected areas within Rock County are in Denver, Rose Dell, and Springwater Townships. The affected areas within Pipestone County are in Elmer and Eden Townships.⁷ The Project's boundary encompasses approximately 35,335 acres. Prairie Rose had site control over approximately 23,000 of those acres as of November 2010.⁸ The majority of this acreage is agricultural land.⁹ The area of direct land use will be between 29 and 45 acres for turbines and access roads, with an additional 6 acres required for the collection substation and O&M building.¹⁰ The electricity from the Project will be collected and transmitted to the Project substation via 34.5 kilovolt (kV) electric lines. The Project will connect to the electrical transmission grid at the Split Rock Substation near Brandon, South Dakota via a 24-mile 115 kV line.¹¹

3. Prairie Rose is currently considering three different turbine models: GE 1.6 SLE MW; Vestas V90 1.8 MW; and Siemens 101 SWT 2.3 MW. The number of

⁴ Ex. A, at 1 (2.1). Geronimo Wind Energy (GWE) is a Minnesota-based farmer-friendly developer that is majority owned by Minnesota residents. Since its inception in 2004, GWE has successfully developed two wind projects in Minnesota. GWE is a major participant in the Midwest wind energy market with 4,000 MW of wind in their pipeline. Transcript of December 28, 2010 public hearing, at 19-20 (Pickar).

⁵ References to Prairie Rose include GWE.

⁶ Ex. A, at 1 (2.1).

⁷ Ex. 5, at 5 (Table 1).

⁸ *Id.* at 6.

⁹ *Id.* at 1.

¹⁰ Ex. A, at 1-2.

¹¹ *Id.* at 2. See also, Ex. 5, at 5 (3.1). The PUC will determine whether this transmission line should be permitted (Docket IP-6838/TL-10-134). *Id.*

turbines used in the Project will be between 43 and 67, depending on the manufacturer chosen to provide the turbines.¹² Regardless of the manufacturer chosen, the height of the turbine hub will be 80 meters (263 feet). The rotor diameter will range from 77 meters (252 feet) to 101 meters (331 feet).¹³

4. Prairie Rose plans to sell the power generated by the Project to one or more utilities that project a need for additional renewable energy. The Applicant has not yet secured a buyer for the power. Specifically, Prairie Rose's objective is to provide electric energy that utilities can purchase to satisfy their Renewable Energy Standards (RES) requirements under Minn. Stat. § 216B.1691.¹⁴

5. The total Project costs are estimated to be between \$197 and \$205 million, including the wind turbines, associated electrical and communications systems, and roads. Ongoing operations and maintenance and administrative costs are estimated to be approximately \$4.9 to \$5.3 million per year, including royalties to landowners for wind easement rights and property taxes. Prairie Rose anticipated construction would begin in the first quarter of 2011. The Project is expected to be fully operational in late 2011 or early 2012.¹⁵

6. On February 11, 2011, Prairie Rose proposed to increase the size of the Project from 101 to 200 MW in the same siting footprint.¹⁶ The wind farm would now consist of between 110 and 124 of either the GE 1.6-82.5 (1.6 MW) turbines or the Vestas V100 (1.8 MW) turbines. The proposed modification to the Project is based on increased market opportunities for Prairie Rose to sell additional power. Prairie Rose has proposed an additional 30-day comment period to receive written comments regarding the modification.¹⁷ At this time, the MPUC is considering how to proceed with Prairie Rose's amended application.¹⁸ The scope of this Report is limited to the record and comments submitted on or before the original January 27, 2011 deadline, based on the Project as presented to the public at the December 28, 2010 hearing.

Hearing Notices

7. Notice of the public hearing was made by publication in the Pipestone County *Free Star* and the Rock County *Star Herald* on July 15, 2010. The notice was mailed to landowners, public officials, media outlets, and persons who indicated an interest in CN matters.¹⁹

8. Approximately seven members of the public appeared at the public hearing in this matter. In addition, 12 persons were present at the hearing on behalf of

¹² Ex. 5, at 6 (Table 2). See also, Ex. B, at 2-2.

¹³ Ex. B, at 2-2 (Table 2-1).

¹⁴ Ex. A, at 2 (2.1).

¹⁵ Ex. 5, at 7 (3.3).

¹⁶ Request for Change in Project Size, dated February 11, 2011.

¹⁷ *Id.*

¹⁸ Email from Bret Eknes to ALJ, dated February 22, 2011.

¹⁹ Exs. 1 and 2.

the Applicant or a State agency. One attendee commented on the Project. The Administrative Law Judge established a deadline of January 27, 2011, for filing of written comments from any interested person.

9. The Commission will issue an Order on Prairie Rose's applications for a Certificate of Need and a Site Permit after examination of this Summary, the hearing transcript, all written filings submitted by the public and all filings and arguments submitted by the Applicant, the OES-EFP, and other persons and entities interested in this matter.

Summary of Testimony in Jasper

10. Bret Eknes, Planning Director for the Public Utilities Commission, described the permit process and the PUC's role in the considering the applications of Prairie Rose.²⁰

11. David Birkholz, State Permit Manager with OES-EFP made a very brief presentation regarding the EFP's role in the Project. Mr. Birkholz also entered into the record the environmental review prepared by OES-EFP for the Project, along with nine other exhibits.²¹

12. The environmental review conducted by OES-EFP is summarized in a document entitled *Environmental Report: Prairie Rose Wind Project (Environmental Report)*.²² The *Environmental Report* is a general document discussing the potential human and environmental impacts of the Project as well as any alternatives to the Project as proposed. The OES-EFP also assessed possible mitigation of potential adverse effects of the Project.

13. As part of the *Environmental Report* development process, a public meeting was held on July 27, 2010, to solicit input into the scope of the issues to be addressed in the study.²³ Written comments were solicited and several were received. On August 20, 2010, the *Environmental Report* Scoping Decision was issued by the OES-EFP.²⁴

14. The *Environmental Report* detailed the work needed to be performed for the Project, potential impacts, and mitigation measures. No significant impacts requiring extraordinary mitigation measures were identified in the *Environmental Report*. Mitigation measures were detailed for the very limited impacts and potential impacts resulting from the installation and operation of the Project. A "no build" alternative, a

²⁰ Tr. at 9-10 (Eknes).

²¹ Tr. at 12-14 (Birkholz); Exs. 1-10.

²² Ex. 5.

²³ Ex. 1; Ex. 3 (Transcript of July 27, 2010 public meeting).

²⁴ Ex. 4.

generic 101 MW large wind energy conversion system (LWECS), a 38.5 MW biomass facility, and the Project were compared for feasibility and availability.²⁵

15. OES-EFP has taken no position regarding whether the Commission should approve the Project. Attendees at the public hearing were invited to comment on the Project and on the Department's assessment.²⁶

16. Alan Mitchell, an attorney representing Prairie Rose, introduced several representatives of the company. Justin Pickar, Development Manager at Prairie Rose, gave a general overview of the Project (see Description of the Project above).²⁷ Mr. Pickar explained that the power generated by the Project will supply 20,000 homes and displace nearly 180 tons of carbon dioxide per year. As of December 28, 2010, Prairie Rose had obtained landowner approval for nearly 20,000 acres.²⁸ Prairie Rose estimates that the landowners participating in the Project will earn revenue totaling approximately \$628,000 per year.

17. Mr. Pickar stated that the local townships and communities affected by the Project will experience increased tax revenue in the amount of approximately \$80,000 per year. Prairie Rose also estimates that the Project will create eight to ten full-time jobs and approximately 90 short-term construction jobs during the construction phase.²⁹

18. As of the December 28, 2010, Mr. Pickar explained that Prairie Rose is working to obtain various state and local permits. Prairie Rose is also working to sign a power purchase agreement with one or more utilities.³⁰

19. Patrick Smith, Prairie Rose's Director of Environmental Planning, explained that Prairie Rose put in a site permit application for an area that is larger than needed so that the company would have increased flexibility in siting the turbines.³¹ Prairie Rose is proposing to site the turbines in the southern half of the application area, specifically in Rose Dell, Denver and Springwater Townships of Rock County. Prairie Rose refers to this part of the Project as Phase 1.³²

20. Mr. Smith further stated that Prairie Rose has installed two meteorological towers in the Project area, one in section 2 of Rose Dell Township and one in section 25 of Rose Dell Township. A third tower was under construction at the time of the hearing in section 27 of Rose Dell Township.³³ The purpose of the towers is to estimate total

²⁵ Ex. 1, Sections 5 and 6.

²⁶ Tr. at 10-13 (Birkholz).

²⁷ Tr. at 20 (Pickar).

²⁸ Tr. at 22 (Pickar); Ex. C (blue shaded area).

²⁹ Tr. at 21 (Pickar).

³⁰ Tr. at 24 (Pickar).

³¹ Tr. at 27 (Smith).

³² Ex. C (blue shaded area); Tr. at 27 (Smith). The yellow shaded area of Ex. C is the Phase 2 area.

³³ Ex. C; Tr. at 29 (Smith).

energy production from the wind farm and to determine which turbines should be activated and when.³⁴

21. Mr. Smith also presented three maps representing the proposed turbine layout based on the three turbine models under consideration by Prairie Rose – the GE 1.6 SLE MW; Vestas V90 1.8 MW; and Siemens 101 SWT 2.3 MW.³⁵ The ovals on each map represent a distance of five rotor diameters on the north/south axis and three rotor diameters on the east/west axis. These are the distances that each turbine must be set back from nonparticipating landowners. The proposed layouts may vary based on the results of on-going soil testing and other geotechnical work.³⁶ As of the date of the hearing, Prairie Rose was negotiating with the turbine manufacturers and planning to select one of these models in the next six months.³⁷ As stated above, the number of turbines used in the Project will depend on the model chosen.

22. According to Mr. Smith, Prairie Rose has worked with its consultant, HDR, to ensure that appropriate noise standards are met for the Project.³⁸ Mr. Smith also stated that Prairie Rose is still considering the location of the O&M center, which could be inside the Project boundary or in a nearby town.³⁹

23. An unidentified member of the public questioned how the power gets to where it needs to go, and how, without eminent domain, Prairie Rose will get agreement from landowners regarding the path of the transmission line.⁴⁰ Mr. Mitchell responded that Prairie Rose does not have condemnation power, and therefore, will have to work out agreements and easements with landowners for both the placement of the wind turbines and the transmission line.⁴¹ Charlie Daum, Prairie Rose's Director of Development, explained how the rotors of the turbines turn to generate electricity and how the electricity is moved from the turbine generators to the individual turbine step-up substations to the Project substation to the Split Rock substation through the stepping-up of voltage.⁴²

24. George Christiansen, a member of the public, inquired about the cost of each wind turbine. Mr. Daum explained that the exact price of each turbine has not yet been negotiated, but he estimated that a 2 MW tower would cost roughly \$3 million.⁴³

³⁴ Tr. at 29-30 (Smith).

³⁵ Exs. D (GE), E (Siemens), and F (Vestas).

³⁶ Tr. at 31, 45-46 (Smith).

³⁷ Tr. at 35 (Smith) and 47-48 (Daum).

³⁸ Tr. at 32-33 (Smith).

³⁹ Tr. at 36 (Smith).

⁴⁰ Tr. at 38-39 (questions read by ALJ).

⁴¹ Tr. at 39 (Mitchell).

⁴² Tr. at 41-43 (Daum).

⁴³ Tr. at 49-50 (Christiansen and Daum).

Summary of Written Comments

25. The Department of Natural Resources (DNR) has been actively monitoring and participating in the development of this proceeding. The DNR, Prairie Rose, and OES-EFP have met on multiple occasions to discuss species surveys for the Upland Sandpiper, the Short-eared Owl, and the Burrowing Owl.⁴⁴ In 2010, Prairie Rose conducted surveys for the state-listed endangered Burrowing Owl in the grassland habitat of the Project area. No Burrowing Owls were found. Because the surveys were conducted late in the appropriate season, the DNR recommended additional surveys in 2011.⁴⁵

26. On December 8, 2010, the DNR, OES-EFP, Prairie Rose, and the United States Fish and Wildlife Service (USFWS) met to discuss the 2011 survey protocol for the Burrowing Owl. Based on that meeting, the DNR recommended that there be a “final check” for the presence of Burrowing Owls in any areas, including a 200-foot buffer, where ground disturbance will occur. The DNR defined “disturbed areas” to include turbine locations, access roads, collector lines, substations, crane paths, and transmission lines. According to the DNR, surveys specific to nesting Burrowing Owls should be completed no more than one month and no less than one week prior to any initiation of ground disturbance planned between April 1 and August 31. No “final check” for nesting Burrowing Owls is necessary if the ground disturbance occurs outside of this timeframe.⁴⁶

27. Based on the December 8, 2010 meeting, the DNR also supported combining the 2010 survey results with additional 2011 survey results to address a Tier 3 analysis of the Wind Advisory Committee Recommendations (WACR) to determine the presence or absence of Burrowing Owls. Under this analysis, the DNR recommended that the surveys include a quarter-mile buffer from any disturbed areas and occur three to four times between June 1 and July 31 with at least two to three weeks between surveys.⁴⁷

28. Steven and Beverly Howe from Sherman, South Dakota, are not located in the Project’s footprint. They support the wind farm but wrote in opposition to the installation of above-ground transmission lines. The Howes asserted that the transmission lines between the Project and the Split Rock substation should be buried.⁴⁸ The ALJ received similar comments regarding the transmission line from Arden and Mary Ellen Sorenson, Elmer and Greta Veldkamp, Glenn and Joyce Hawes, and Loren and Bonnie Veldkamp.

29. In response, Prairie Rose noted that the location of the transmission line is being addressed in another MPUC docket (IP-6838/TL-10-134) and encouraged interested parties to submit comments regarding the transmission line at a later date.

⁴⁴ Ex. 3 (DNR letter dated August 17, 2010).

⁴⁵ DNR comment dated January 26, 2011.

⁴⁶ DNR comment dated January 26, 2011 (Memorandum dated January 7, 2011).

⁴⁷ DNR comment dated January 26, 2011 (Memorandum dated January 7, 2011).

⁴⁸ Comment of Steven and Beverly Howe, dated January 26, 2011.

Prairie Rose indicated that it intends to address these concerns as the transmission line application proceeds.⁴⁹

Dated this 3rd day of March, 2011.

/s/ Richard C. Luis

RICHARD C. LUIS
Administrative Law Judge

Reported: Christine Simons, Shaddix and Associates
Transcript Prepared - One Volume

⁴⁹ Geronimo Wind Energy comments e-filed on January 27, 2011.